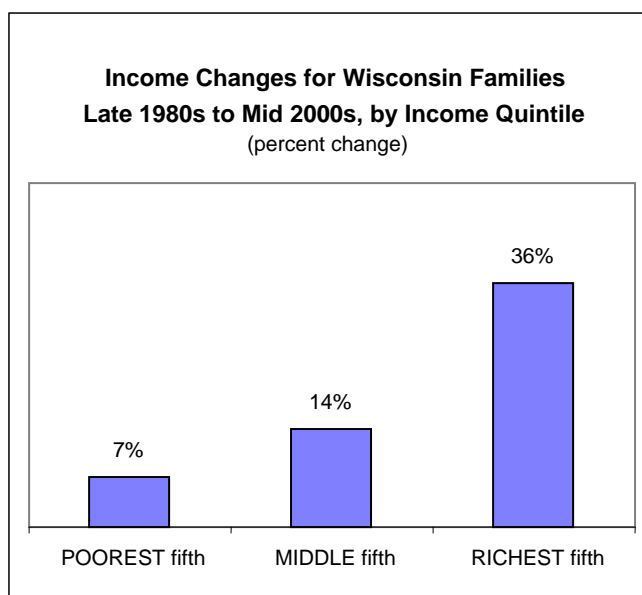


**Embargoed until
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***Pulling Apart: New Report from COWS and WCCF Shows
Growing Income Inequality in Wisconsin***

(Madison)--The income disparity between Wisconsin's richest and poorest families continues to widen, according to the Center on Wisconsin Strategy (COWS) and the Wisconsin Council on Children and Families (WCCF). Their analysis, based on a new report by the Economic Policy Institute and the Center on Budget and Policy Priorities, finds that the income gap is growing steadily and Wisconsin's historic position as a state with shared prosperity is eroding.



Source: Pulling Apart, Economic Policy Institute and Center on Budget and Policy Priorities, 2008.

In the late 1980s, Wisconsin was ranked the fifth most equal state in income distribution. This time around, Wisconsin has dropped to 11th.

“Inequality is a political problem,” said COWS Director Joel Rogers. “Greater inequality feeds on itself. It makes fewer people willing to help pay for critical public goods, like education, which further increases inequality. By increasing differences in how people actually live, it makes the idea of common sacrifice for a common good seem silly, rather than common sense. That's particularly bad for a state like Wisconsin, which became great through such common sense.”

(more)

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“The divide between low-income and wealthy families is growing, but there are things we can do to put us on a better course,” said WCCF Research Director Jon Peacock. “For example, we should adjust the minimum wage for inflation, make sure low-income working families have access to quality child care, and help our workers match their skills to today's jobs.”

Key findings of the report include:

- Since the late 1980s, the average income of the bottom fifth of Wisconsin families grew only \$1,369 (7.3%), while the income of the top fifth grew \$31,600 (35.6%).
- In the late 1980s Wisconsin's richest 20% of families earned about 4.7 times what the poorest 20% earned. The richest 20% now earn 6 times what the poorest 20% earn.
- It is not only the poor who failed to share in national prosperity; middle-income families in Wisconsin saw their income rise only \$6,583 (14.1%) since the late 1980s, only two-fifths the rate for high-income families. The gap between our middle- and upper-income families is growing along with the gap between rich and poor.

COWS and WCCF offer a number of strategies to help reverse the trend of growing disparity between the rich and poor in our state. Recommendations include:

- Raise the minimum wage and index it to keep up with inflation.
- Build the skills and education of Wisconsin's workforce by increasing the focus within the workforce development system on education attainment and skills development.
- Adequately fund the child care subsidy program for low-income working families.
- Promote awareness of BadgerCare Plus and expand it in 2009 to make health insurance available to low-income childless adults.
- Continue to modernize the unemployment system, a critical safety net for laid-off workers.
- Reform regressive taxes that place an undue burden on lower-income families.

CBPP/EPI's full report, press release and state fact sheets are available under embargo by visiting <http://www.cbpp.org/4-9-08sfp.htm>. These materials will remain under embargo until 12:01 a.m. (ET) on Wednesday, April 9. The COWS/WCCF Wisconsin report, also embargoed until 12:01 a.m. (ET) on Wednesday, April 9, is available at <http://www.cows.org/pdf/rp-pullapart-08.pdf>.

The Center on Wisconsin Strategy (COWS) is a non-profit, nonpartisan “think-and-do tank” dedicated to improving economic performance and living standards in the state of Wisconsin and nationally. For more information, visit www.cows.org.

The Wisconsin Council on Children and Families is a statewide, non-partisan, non-profit organization that works to improve the lives of Wisconsin's children and families. WCCF: Raising voices to make every kid count. For more information, visit <http://www.wccf.org>.